

April 11, 1989

LB 247, 272, 588, 739, 811

CLERK: Government Committee gives notice of confirmation hearing. Senator Wesely has amendments to LB 247; Senator Chambers to LB 588; Senator McFarland to LB 811; Senator Landis to LB 272. (See pages 1645 of the Legislative Journal.)

SPEAKER BARRETT: Senator Hannibal, I don't believe you have had an opportunity to open on the bill. Would you like to take this time to present the bill?

SENATOR HANNIBAL: Yes, Mr. Speaker, and thank you very much. I will try to be brief, because we have had a pretty good discussion of the bill. I hope that you have had a chance to look at the items, the handout that was before you, the blue covered copy dealing with the LB 739 tax cut. What you have now before you is a proposal of the bill in its original form and is laid out for you in the handout before you. The first page tells you what the four items are that are going to be done. First and foremost we're going to drop the marginal rates, marginal rates you can see, that are blackened out on the right-hand column, go down from the existing rates. You can see from the handout that the two brackets that are being reduced are in the lower and middle income areas. It's going to return or take off the tax rolls. Return... I think Senator Hall did point out we aren't giving money back, it's kind of a shame we can't do that, we aren't doing that. But what we are doing is changing the tax structure so we will no longer collect those taxes. You can't even call it a tax cut because it was an increase that we are trying to take off the rolls, because it was put on inadvertently. But we're rolling back those brackets to those two blackened areas, and they are the lower tax brackets. Secondly, we are going to raise the personal exemption by \$50 per person, that affects everybody. I might point out that the first item, lowering the marginal rate brackets, affects every taxpayer in the State of Nebraska. It affects better the lower income taxpayers, the lower marginal rate brackets, it affects them more dramatically than it does the higher, but it does affect all. The personal exemption obviously affects all taxpayers. Again, because it's a dollar rate, \$50 per person increase in the exemption, affects everybody, but affects the low income tax... low income earners more than it does the upper incomes. Thirdly and fourthly were the items that were left as part of the bill, the child care credit, which affects those people who can take a deduction from the federal income tax, a tax credit away from their liability, they will be able to take an additional 25 percent of that